GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3517
ANSWERED ON:07.09.2007
ENTRY OF BANKS IN INSURANCE MARKET
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Will the Minister of FINANCE be pleased to state:

(a) whether the Government has chalked out any plan for the nationalized banks to enter the insurance market in joint ventures in the country;

(b) if so, the details thereof, bank-wise;

(c) whether the Government has also permitted the private banks in this regard; and

(d) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) to (d) : To facilitate quick and efficient decision-making and to provide sufficient managerial autonomy to the Boards of public sector banks to be able to compete internationally, Government announced an Autonomy Package on 22.02.2005 for these banks. As per this package, the Bank Boards are competent to decide on issues relating to new lines of business as part of overall business strategy, setup subsidiaries /joint ventures, etc. Further, Government has notified `insurance` as a permissible activity under Section 6 (1) (o) of the Banking Regulation Act, 1949, enabling all banks, including private sector banks, to undertake insurance business in accordance with Reserve Bank of India guidelines.